

Summary of Health Care Reform Changes

Clients and Friends:

March 2013

With so many changes related to the Affordable Care Act occurring over the last few months and anticipated in 2014, we thought it would be helpful for you all to have a brief summary of some of the biggest changes that might affect you.

As guidelines are released, we will continue to provide you with details about these new rules and regulations as appropriate. In addition, we hope you are looking forward to our Annual Spring Seminar on May 9th, which will be all about Health Care Reform!

In the meantime, here are a few items to keep in mind:

Free Women's Preventive Care has been expanded: For non-grandfathered plans that renewed after August 1st 2012, expanded preventive care for women includes most forms for birth control, additional preventive screenings, routine pre-natal care, and breastfeeding support including breast pumps for nursing mothers.

Section 125 Plan Limits: Employee contributions to Health Care Flexible Spending Plans for plans beginning in 2013 are limited to \$2,500. The IRS issued guidance on this rule late last May, so many employers changed their plans early. If you did not, you will need to do so this year.

Wellness Plan Incentives: Beginning in 2014, employers will be allowed to increase the participation incentives on their employee wellness plans from 20% to 30% of the monthly premium. The incentive for tobacco cessation can be up to 50% of the total incentive.

Changes to the Association Plan Market: Associations must gain approval from the Department of Labor that they are "bona fide" associations and do not exist solely for the purpose of providing health insurance. The Department of Labor must certify an association before the OIC will approve rates for January 1, 2014 or later. Associations without this certification will not be able to renew their plans in 2014.

Health Insurance Exchanges to Open in 2014: In October, the Washington Benefits Exchange will be available to quote business for individuals and employers with up to 50 employees for January 1, 2014. Coverage through multiple insurance carriers and at multiple levels will be available.

Small Business Tax Credit: The small business tax credit that was initiated in 2010 for businesses with fewer than 25 lower-income employees will increase up to a maximum of 50%.

Play or Pay: For employers with an average of 50 or more full time employees, Play or Pay rules take effect in 2014. Large employers must offer minimum value, affordable health care coverage to substantially all their full time employees or pay penalties.

Summary of Benefits and Coverage (SBC): For Open Enrollment periods beginning on or after September 23, 2012, employers must distribute SBCs to all eligible employees. These documents are generally created by the insurer, and must be distributed to newly eligible employees, at open enrollment, and upon request. Electronic distribution is allowed if certain requirements are met.

As always, please feel free to contact your Account Manager directly or call the Benefits Helpline at 206-957-7066 (toll-free 800-946-7066), or send an email to Questions@SIGinsures.com. We are always happy to hear from you.